


IS-Global –  
smarter ways of  
gathering information

10 July 2003

 rouse & co. international

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smarter information-gathering

- IP fields – acquisition; enforcement; commercialisation
- resources – outside inv firms; own organisation; government authorities; other IP holders; (consumers)
- strategies – broad geographical coverage in China; transnational; “cyber” enquiries

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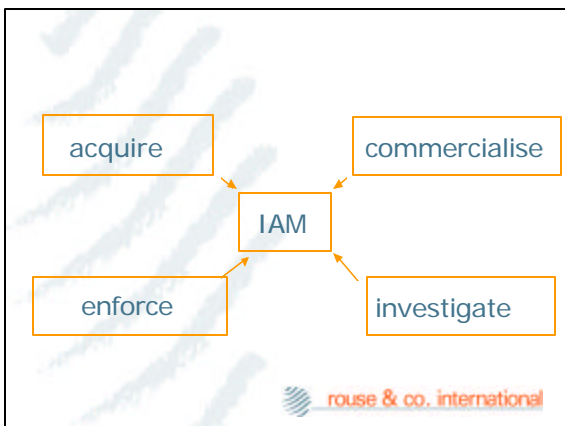
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IP fields

## acquisition

- Trademark usage enquiries  
(quick & cursory and major & thorough)
- Trademark purchases
- Domain name purchases



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IP fields

## enforcement related

- lead-generation - market & factory surveys; pro-active identification of factories producing infringing goods
- in-depth & pre-raid investigation – to gather sufficient evidence for effective raid (i.e. seizure of large stocks)
- quick-response admin raids – vs numerous factories in notorious production centres



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IP fields

## commercialisation of IP

- internal IP – subcontractor monitoring vs backdoor counterfeiting; identifying targets for stick-licensing; measuring market presence vs rivals
- parallel trade – verifying quantities & tracking shipments
- unethical practices – brand hygiene™ inspections
- vetting – prospective partners & employees
- due diligence & competitor research



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IP fields – commercialisation of IP

## brand hygiene™ inspections



- children
- exploitation of workers
- environmental
- social & economic

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IP fields – commercialisation of IP

## due-diligence & competitor research

- profile of responsible persons
- company history
- financial performance, assets, bank accounts
- all connected companies around world  
- including buyers and suppliers
- methods & routes of shipment
- summary of vulnerable areas

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## resources

- outside inv firms – ideal qualities
- IP holder's own organisation – subcontractors; employees; internal IP structure
- government authorities – activating all; findicon; customs
- other IP holders – industry-sector coalitions



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## resources

### outside firms – ideal qualities!

- China knowledge, experience & coverage - Rouse in China for 10 years; 75 researchers in 11 locations; cover 6 dialects; 30% of global staff is Chinese; many European Mandarin speakers
- industry-sector skills – pharma; elec; power tools; autoparts; lubes
- transnational capability - 15 offices, 28 locations, 30 languages; diverse nationalities for variety of approaches; centrally coordinated (project teams & IT); front cos in many different countries
- border capability - Customs contacts & transnat. cooperation initiatives
- cyber enquiries & research – internet searching, telecom blagging, front-company websites, shipment tracking
- in-house enforcement/ commercialisation/ acquisitions capability - drives researchers to achieve results; and smooth transition
- reports – clear & succinct; professionally presented
- information-technology resources – internet case database, findicon; front-co websites; inter-office IT communications; search engines



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## resources

### IP holder's own organisation

- own subcontractors (current & esp. former) – check no backdoor infringing activity; also source of reporting
- employees (esp. sales force) – reporting resource activated by seminars; handbooks; reporting forms
- internal IP-protection structure – specialists to manage information; reporting systems



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resources

### government authorities

- Admins for Industry & Commerce (AIC)
- Technology Supervision Bureaux (TSB)
- Customs
- People's Courts
- Public Security Bureaux (PSB)
- People's Procuratorates (PP)
- Copyright Office



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resources – government authorities

### activate by "findicon" website –

education & assistance to enforcement authorities

- interaction section – practical information about IP holders, key enforcement authorities, & other IP enforcement issues
- email channel – to facilitate communications between IP holders and those acting on the front line against illegal product copying
- IP database – word marks, easy-to-search device marks, & product images (to be extended to design rights & copyrights)



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resources – government authorities

## customs' key role

- TRIPs – IP border control measures
- are on border – so touch on important export cases only
- intercept goods when most vulnerable - large seizures
- access to details of network – upstream & downstream
- keen on cooperation with others - overseas customs, inland authorities, IP holders



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resources

## other IP holders – industry-sector coalitions

- share costs – more ambitious and cost-effective efforts
- share information – strike infringers more frequently, and sometimes in combination
- lobbying strength – press individual authorities for punishments that deter; get more attention for coalition members' IP



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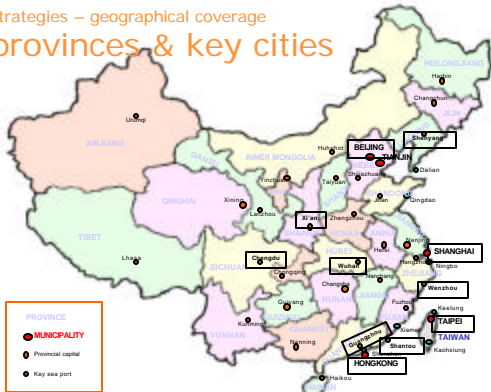
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## strategies

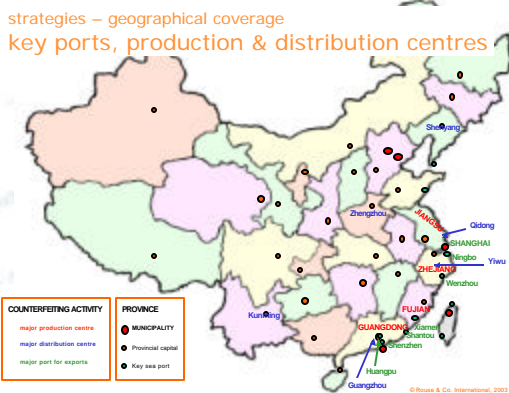
- broad geographical coverage in Greater China
- transnational
- "cyber" enquiries & research

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## strategies – geographical coverage provinces & key cities



## strategies – geographical coverage key ports, production & distribution centres



strategies – geographical coverage

## coastal Greater China

- south – Guangdong & Hongkong;  
Fujian & Taiwan
- east – Zhejiang, Shanghai, Jiangsu
- northeast – Shandong, Beijing, Tianjin,  
Liaoning



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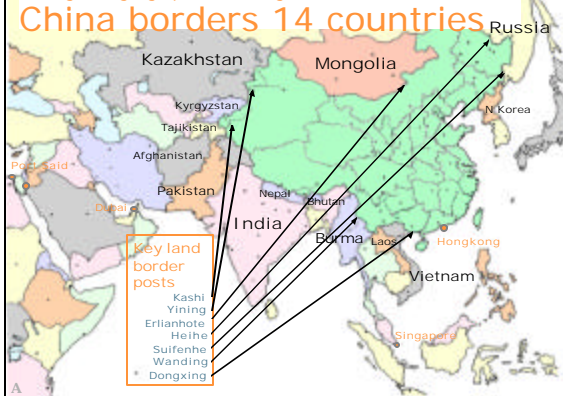
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strategies – geographical coverage: land borders

## China borders 14 countries



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strategies

## transnational

- tackling the counterfeiting global village – trade flows; inv methods
- case examples – pharmaceuticals;  
sewing machines; sport shoes
- IT – email approaches; front websites;  
internet case database; findicon website



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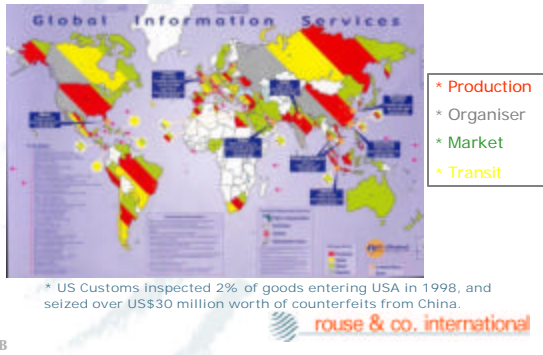
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strategies - transnational  
global-village nature of counterfeit trade




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strategies – transnational

## tackling international networks

- leads generated overseas – many exports!
- infringers more open to overseas buyers – excited & less suspicious (outflanking manoeuvre)
- maximise information about networks - raids not needed to get full info (avoid alerting network)
- smooth cross-over between jurisdictions – close cooperation between China & overseas staff
- act against each link in the chain - overseas importer, China source factory, & especially organiser

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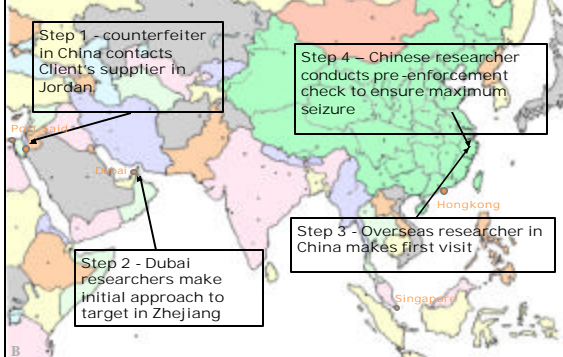
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strategies - transnational sewing-machine case example

## Singer vs Zhejiang XINGYU




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strategies - transnational

## IT

- email approaches – from overseas (or appearing to be)
- overseas front-company websites – to add credibility to overseas approaches
- internet case database – central reference accessible from different offices
- findicon website – activate customs to generate transnational leads



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strategies – transnational: IT

## internet case database

- organise all data in one place
- accessible over Internet to anyone with password
- avoids duplication of effort - saves cost & time to ensure rapid action
- valuable search tool - for familiar names; and for analysis of trade patterns



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strategies

## "cyber" enquiries & research

- advantages
- what can find out
- techniques



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strategies – “cyber” enquiries & research

## advantages

- speed means can approach large no. of companies – systematically cover China
- large volume makes useful analysis – ask simple questions (e.g. which ports use)
- non-physical – overseas approaches; can be more daring



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strategies – “cyber” enquiries & research

## what we can find out

- trade patterns – across China; & exports from China worldwide
- identify infringers
- identify & analyse potential partners
- competitor research



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strategies – “cyber” enquiries & research

## techniques

- internet searches – identify & compile list of factories Chinawide
- approaches – email; telephone; front websites (overseas)
- shipment tracking
- “due diligence” -style – very detailed



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strategies – “cyber” enquiries & research

## industry-sector analysis

### - pattern of production & trade flows

- internet searches – compilation of list of factories in same product sector
- email & phone approaches – systematically approach each factory
- pattern of trade – combined answers to simple questions like: supply-source for raw materials; countries to which export; ports used; etc.
- tracking shipment routes - through domestic transit points to ports used; & exports overseas
- due-diligence-style research & analysis on a few key companies



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## IS-Global – smarter ways of gathering information

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